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The packer and the cost of living

[Philadelphia]

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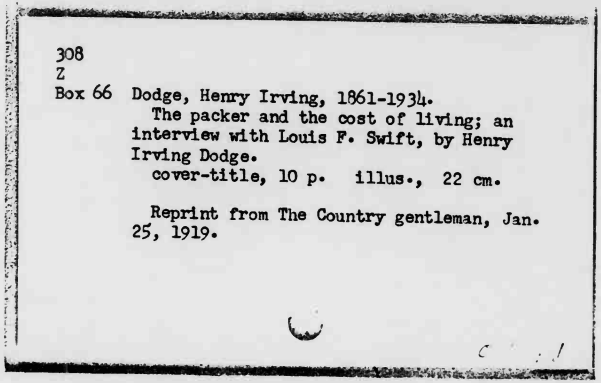

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Box 66 Dodge, Henry Irving, 1861-1934.
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An Interview With Louis F. Swift

By Henry Irving Dodge

Reprint from
"The Country Gentleman"
January 25, 1919

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26 Feb. 1920 - C.R.W.

IT ISN'T necessary to write very much about Mr. Swift, although, owing to the fact that he is not a self-exploiter, he is probably as little known to the public at large as it is possible for a man of his importance to be. To establish his position as an authority on the subject under discussion, it is enough to say that Mr. Swift is the head of Swift & Company—packers, Chicago—a concern owned by over 23,000 shareholders; a concern which takes in "over the counter" more money annually than is taken in for freight and passenger business by the New York Central and the Pennsylvania Railroads combined.

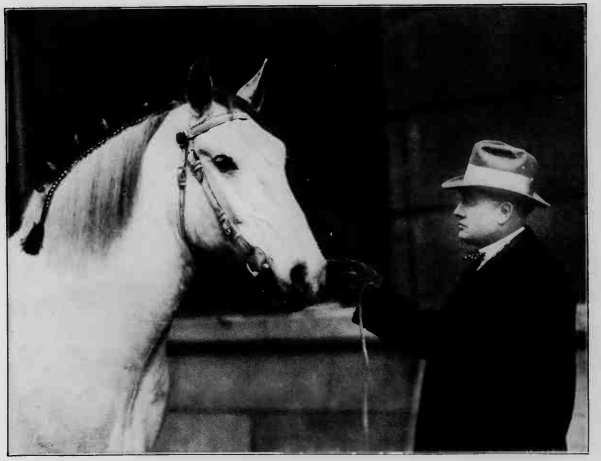
The fact that Mr. Swift comes pretty near to knowing what he's talking about is of more importance in this article than his stature, the color of his eyes or the cut of his clothes. So, without more ado, I shall break into the talk I had with him.

"What has the packer to do with the so-called high cost of living?" I asked.

"Mighty little," Mr. Swift replied. "But let me state two essential facts: If it were not for the packer the public would have to pay a great deal more for what meat it might be able to get; another fact is—and I am not seeking to give it the color of philanthropy or patriotism—if it had not been for the big packers, Uncle Sam would not have been able to feed his army. Pause and consider that. A pound of beef puts a good deal of heart into a fighting man."

"Doesn't that imply enormous influence on the part of the packer?"

Mr. Swift smiled. "Every link in a chain is enormously influential. All the other links depend on it. But it also depends on the other links. The packer is the link between the producer and the consumer. And he is responsible to a degree. He keeps the machine running, keeps the public supplied with meat of an edible quality, encourages the consuming of the same, and so is instrumental in maintaining a market for cattle. For his services he makes a fair profit. If he didn't, he would have to shut up shop, and by so doing throw the producer and the consumer into immediate contact—if, indeed, there should be any contact at all. You may imagine what that would mean."



Mr. Swift and Donald, Leader of the Six-Horse Team He Showed at the International

INTENTIONAL SECOND EXPOSURE

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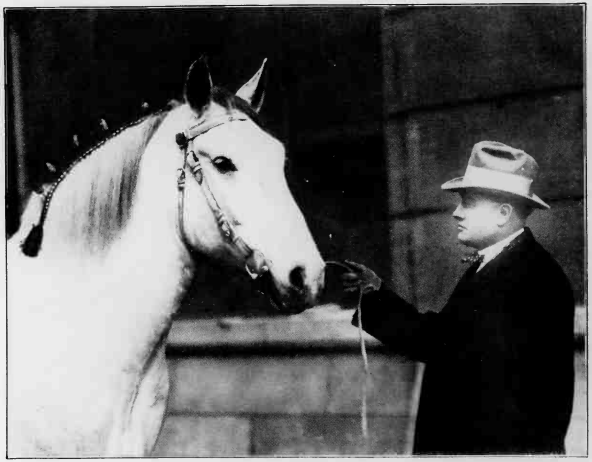

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"Why is meat so high?" I asked. "Who is getting all the money the public has to pay?"

The question was not at all dumfounding to Mr. Swift. Possibly he had heard it before and was prepared with his answer, for he said quietly: "The retail butcher gets some. The packer's profit averages a fraction of a cent per pound, and the farmer gets his share. But, mark you, the farmer's profits are not so big as one might imagine, since the price of cattle feed is so high, and also the cost of labor."

Two Reasons for Costly Cattle Feed

"What makes the cost of cattle feed so high?"

"Two things, basically: The taking of an immense number of men of draft age from the farm and putting them into the army, and the sudden demand for men and women for the various war industries. The abnormal wages offered in the latter case in order to supply this imperative demand practically drained the farming regions of the most available help. In order to keep his hired man, the farmer has had to pay him almost prohibitive wages. Then there has been the extraordinary demand for wheat for Europe, which is temporarily a nonproducer. That fact forced us to resort to substitutes, with the result that the substitutes skyrocketed in price. But, owing to the high cost of labor, even the makers of cattle feed did not get more than a fair profit."

"Won't the return of the young men to the farms, once they are demobilized, solve that problem?" I asked.

"That's an economic question that will answer itself in its own unerring way, as all economic questions have a manner of doing, regardless of the judgments or prophecies of men," said Mr. Swift. "I don't like prophets, and am not going to pose as one."

After a moment's reflection, Mr. Swift resumed: "The good farmer secures a double advantage by breeding his own cattle and raising his own feed. It's better for him to convert a portion of his corn into beef or milk than it is to sell it as corn, as it permits him to use the roughage that is so liable to be wasted on the farm."

"When high feed prices force farmers to throw their milch cows on the market, doesn't it demoralize conditions and operate against the interest of the packer?"

"*Moderate*-priced beef is what we want above all things—it must be neither too high nor too low for our purpose. I'll tell you why. Low-priced beef would please the consumer, but in a short time the farmer would raise less cattle. Then where would the packer be? Reverse the thing, and you would please the farmer, naturally, but your sales of beef would fall off. The other end of the teeter would be in the air. Our path would be a lumpy affair, and lumpy affairs are not good, economically speaking. The organization of any big packer is so far-reaching, so ramified in its influences, that it is essential to its very existence that it be run smoothly. There must be a steady inflow of livestock and a steady outgo of packers' products. As an illustration, our own concern has over four hundred branch houses and employs some 65,000 persons—of whom, by the way, 7,388 are in the service of Uncle Sam. It is reasonable to suppose that these persons have others depending on them, making the number actually depending on one concern many times what I have stated.

"We own and operate seven thousand refrigerator cars. And these cars must be kept going or they'll eat their heads off through idleness. But the most remarkable fact is yet to come: It takes 7,500 cattle, 10,000 sheep, and 25,000 hogs every day to keep our plants going up to full paying capacity. How does that strike you?" Mr. Swift paused, then went on: "As to our output, we require 6,000 carloads or 18,600,000 pounds of packing-house products to be shipped every day of the week, in order to keep our refrigerator cars, our transportation facilities and our employees busy at the branches, and to pay the overhead expense that has to be distributed over the whole organization.

"One can readily see that the disadvantage of disorganizing this system would not be overcome by any temporary profit. That's why I say beef must be cheap enough for the consumer to buy freely, but at the same time not so cheap over long periods that the farmer cannot afford to raise it. In other words, the farmer is raising livestock to feed the consumer and will raise only so much as the consumer is willing to pay for at a satisfactory price. Of course, there are temporary and short-time fluctuations in prices due to bad adjustment of supply to demand or to other temporary conditions, that affect individual farmers, but should not be permitted to cause violent changes in production or consumption. Here is where the packer cooperates with both the producer and the consumer.

"He acts as a balance wheel, a regulator, a harmonizer, in the interests of all. And his job is not an easy one. The producer and the consumer are both very independent. The latter demands low-priced beef and will only pay what he can afford. When his wages are higher he buys a better quality and more of it. But by the same economic law, the very set of circumstances that raise his pay, automatically raise the price of food. So there you are.

"But even so, placed between the upper and nether stones, the packer could not, if he would, regulate the price of beef for one reason—a very big one—and mark this fact, for on it rests the whole structure:

"FRESH BEEF WILL NOT KEEP.

"The packer cannot store fresh beef. It must be sold right away, practically. It is true the packer could freeze it and hold it for months, but the American public do not want frozen meat, and will not pay the extra expense for freezing and storing. In fact, they will not pay so much for frozen beef as for fresh refrigerated beef, and that is why the packer cannot hold it.

"A coal operator or some other dealer in nonperishable stuff might hold the keys to the sluiceway and keep the supply just a little—yet not prohibitively so—under the demand. But if the packer should try this he would mighty quick find himself an enormous loser. The farmer would continue to ship his fat steers to market whenever they were ready, and the packer would have to convert them into meat and dispose of them. He could not hold them back because they would spoil. He could not freeze much of them because they would net him less, and so he has to do what he does. He has to move them along to the retailer and consumer at whatever they will bring, be it a high or low price, a profit or a loss. One thing is sure, he must get it off his hands before it gets stale.

"The public has the regulating of the price of beef in its own hands. If it should eat less meat for a short time the price would go down; but the unpleasant fact is that once the public should get meat hungry again, it would find the supply limited and the other end of the seesaw in the air.

"As I said, the packer is the connecting link between the producer of cattle and the consumer of beef. Just a word to show his relation with the farmer link of the chain: The principal complaint of some farmers seems to have been 'packer control of livestock.'" Mr. Swift smiled good-naturedly. "There is no ground for that.

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"You see," he went on, "the farmer produces livestock under a wholly different set of conditions from those under which the meat is marketed. Say he buys his cattle as yearlings. He feeds the steers for a period of from a few months to a year and a half. During that time the situation may have shifted from that existing at the time he bought his cattle. The supply and demand for corn, silage and other feeds which go to make beef may have been subject to another entirely different set of conditions. Short crops may have sent prices into the air and compelled him to put high-priced feed into his cattle."

The Controlling Price Factor

"When the farmer's cattle come to market the demand for beef may be brisk, which, of course, guarantees a satisfactory price. But, on the other hand, the cattle may come in on a sluggish beef market, with the purchasing power of the consumer at a low ebb. Or bad weather conditions or a plenteous supply of other foodstuffs may prevail to depress the price for beef.

"The principal controlling factor in the price of livestock is the demand for beef and by-products. It is clear that no packer can, over an extended period, continue to pay a price for cattle which lose money on the resultant products."

Mr. Swift paused, reflected a moment, then abruptly put the question: "Do you know anything about this business?"

"I am in the primer class," said I.

"Then just a word about the actual operation. When the farmer gets ready to ship his cattle he orders a livestock car from the local railroad agent to be set at the chutes in his town on a certain date. At the time appointed he drives his cattle in and loads them on the cars, and they are handled on a fast schedule to one of the great central markets. Many times the owner or his man comes along in the caboose, a familiar sight on the end of a livestock train.

"When the cattle reach town they are unloaded and yarded by the stockyards company, having been consigned to one of the commission firms, which must belong to the livestock exchange. This exchange is governed by by-laws and rules for trading, and there is probably no other market place where a higher standard of personal integrity is maintained than in the stockyards.

"The morning of their arrival the commission firm's salesman looks over the cattle and starts out to get bids. He brings to the pen the buyers of the various packers and those who buy for shipment alive to the East. Then, on his judgment as to the possible market and the prospective supply and demand, he says to the buyer who makes him the highest bid, 'I will weigh them to you,' which means that the transaction is closed; and this without even the scratch of a pencil on a piece of paper.

"The cattle are given all the hay they will eat and all the water they will drink before weighing in—an immemorial practice. Naturally, the expert buyer discounts this practice to a certain extent in making his bid." Mr. Swift smiled. "It would not be economically sound, you know, to pay for hay and water as beef.

"The cattle are weighed by the stockyards company—an entirely disinterested party, the scales being regularly inspected and certified—a weight ticket is issued by the scaler, the commission man and the packer's buyer each receiving a copy. The commission man's copy of the aforesaid ticket, deposited in the bank, is good for cash before three o'clock the same day. So the farmer, if he chooses, may go home on the next train with his money in his pocket. Quick work, eh?

"The commission man makes out the account sales showing what the cattle weighed, what they brought, and making deductions for freight, yardage and feed, all of which are standard charges in each market. Any falsification of this account sales is cause for expulsion from the exchange. Very rarely there is a question of veracity between the seller and the buyer as to the price involved in the transaction. When such does arise, however, it is settled by a committee of arbitration. But this sort of thing is studiously avoided by both parties, as it would be a great reflection on their ability, their memory or their honesty—the three cardinal principles upon which trading in livestock is possible at the stockyards.

"The cattle are seldom killed until the following day, since the meat will be in better condition from an overnight's rest. And then, with a day's supply of cattle at the packing house, continuous operation is assured; whereas, as I have indicated before, if the large and highly paid killing gangs had to wait for the arrival of each bunch there would be considerable loss entailed.

"When the cattle are slaughtered and dressed the sides of beef are put in the chilling room, which has a temperature of from thirty-two to thirty-six degrees. Here they hang for from twenty-four to forty-eight hours, and are then cut into quarters and shipped in refrigerator cars to branch houses all over the United States."

No Financial Strangle Hold

"The beef is usually on the road from one to seven days and must be sold within a week after its arrival at destination. The money is not received for it for three or four weeks.

"Let me say that while the packer pays cash for every head of cattle he buys, he must wait from thirty to ninety days for his pay for beef and by-products. But any disadvantage suffered from this cause is quite compensated for by the fact that he has afforded the farmer an immediate cash market every day for his livestock, and has thus encouraged him to go on producing."

"But the packer could control the price of cattle through the financial strangle hold he gets on the farmer?" I urged.

"Let us look at it this way," said Mr. Swift. "First, could the packer get such a strangle hold on the farmer or rancher, and would he use it if he could?" He reflected a moment, then: "No, except to a very limited extent and in specific cases, just as a man could point a pistol at your head but not at the heads of thousands.

"Cattle loan companies, in which individual packers have been interested, have been exploited in some quarters as a great menace to the stockman. It has been claimed that the packer used such companies as a means of getting a mortgage on a man's cattle and then, when the market would slump, calling his loan and forcing the livestock to market; but," and here Mr. Swift became deliberately emphatic, "no one has ever produced any evidence of an instance of this kind.

"On the contrary," Mr. Swift went on, "a prominent cattleman in talking to a packer outlined the menace which this situation presented:

" 'From whom do you borrow most of the money to carry your cattle?' From such and such a loan company, the cattleman admitted, and which, by the way, was the very one in which that particular packer was interested.

" 'But why,' insisted the packer, 'do you borrow money from such a concern?' 'Oh, well,' said the cattleman, 'they have always treated me fairly and given me as low or lower interest rates than I got anywhere else.'

"But still he was apprehensive of what the packer *might be able* to do to him.

"As a matter of fact, the beneficial effect of the packers' connection with loan companies has given stability to such concerns, has caused a reduction in the rate of interest on loans of this kind, and has made a market for their paper in the Eastern financial centers.

"If the packers could raise all the cattle needed in their business, there might be some basis for this talk about their controlling prices. But we want to remember that livestock is raised all over the United States. Unlimited capital is devoted to its production. No packer or combination of packers could do what the farmers and ranchers are doing. Do what he will, he must depend on them for his supply. And so he must help rather than discourage them by extortion, financial bullying or any other jugglery. If he drives them out of business, he automatically drives himself out of business. We could lend them money, yes; make a sudden demand for it, cause an inrush of cattle to the market and possibly make a 'great killing.' That would all be very well if we intended shutting up shop within a year. But it has taken us packers a long, long time to build up our businesses, and we purpose staying on the job a little longer; and, anyway, we cannot make money on demoralized markets."

"But, referring to the consumer link of the chain, why does the price of beef fluctuate so? The public thinks it is due to the packer's manipulating the market."

"Do you think it would be to the packer's advantage to keep the retailer and the consumer unsettled? Does such a thing contribute to financial security and stability, so essential to legitimate industries? One must study the psychology of the people at large. Nothing irritates them like a raise in prices. It is very apt to result in their going without beef—trying the vegetarian system—for a period, or buying less meat than usual or a less expensive quality. Public opinion, and more particularly where the stomach is concerned, is something that may be juggled with only at great risk to the juggler. The retailer, who has to stand as a buffer between the packer and the public, naturally has to suffer any advance in price. He is charged with all the crimes in the calendar, and that puts him in no amiable attitude toward the packer.

"Of course the packer's profit is due wholly to the great volume of business transacted by him and the efficiency with which he dispatches it. I believe those are the only two crimes that can be proved against him, and the greater of the two is size. Looking at it from the packer's point of view, first with relation to the farmer, and then with relation to the consumer, if by some magic stroke and without any expense to himself the farmer could change his livestock into dressed beef and transport it to the great centers, he would get about one and one-eighth cents per pound more for his cows and steers and the consumer would get his beef for perhaps two and a quarter cents per pound less. Out of the cent or two cents per pound the packer pays for the operation of extensive plants, freight, refrigeration and the maintenance of branch houses. Ultimately the profit amounts to the fraction of a cent.

"It is a curious anomaly that the packer always realizes less for the beef he takes from a steer than he pays for the animal. Years ago, when the butcher took no heed of by-products—except the hide—it would have been impossible to continue in business under such circumstances. But the by-products save the day, for the farmer, the consumer and the packer alike.

"The by-products are handled immediately after killing the animal, because they are all extremely perishable. The fats are started on their journey to be converted into oils; the intestines are prepared for sausage casings, fiddlestrings, and the like; the hides are immediately salted and packed away to cure. In the matter of hides alone, the difference between the value of the one taken off by the skilled worker at the packing house and that of the country hide removed by unskilled hands is from one dollar to three dollars per steer. The country hide has as a rule a considerable portion of flesh adhering to it; is often badly cured and scored, and the take-off

round the head and legs is accomplished without regard for retaining as large uncut areas of leather as possible.

"Also, the blood is piped to a certain department where in some cases the albumen is coagulated and removed. But most of this product goes to make concentrated stock food and, on account of its high ammonia content, fertilizer.

"The by-products of pork are not so extensive, but the sheep yield in wool is by no means a negligible proposition. Also the glands are used for pharmaceutical purposes. All of these things, while small in themselves, are in the aggregate a very great factor in the enormous volume of business transacted by the big packer.

"When the farmer sees cattle selling for seventeen cents a pound and beef at wholesale for twenty-five cents, he naturally concludes that the packer is clearing eight cents a pound. He does not stop to figure that only about half the steer is beef, and that the difference between the price of cattle and beef must take care of all the expense of buying, killing, freight, selling and all the other skilled, complex service, and the margin for profit, which is smaller than that under which any other industry in the United States operates."

"Speaking of raw by-products, the packer handles and makes a profit on finished by-products, such as soap, oleomargarine, lard, fertilizer, and so forth, does he not?"

"He does, and this fact is of benefit to both the farmer and the consumer. Forty years ago thousands of tons of offal were thrown away. To-day we use it all, every bit of it. If we can get more for that offal either as a raw or finished by-product, we can afford to pay more for cattle and sell beef for less, thus encouraging the cattlemen to produce and the public to consume, by reducing the spread between the price paid to the one and by the other.

"For, keep in mind always two things: That our great central industry is beef and pork; everything must contribute to keep that going smoothly and regularly. It is quite clear, therefore, that the average packer makes a smaller margin of profit on a restricted supply of high-priced material than he does on a big volume of medium-priced product. You see, the packer's overhead expense conforms to an organization that is geared up to handle a big volume of business, and should the time come when the overhead expense must be distributed over a small volume of business it creates an uneconomic situation such as no longheaded man of affairs desires."

Keen Competition Exists

"How can the packer profitably manipulate the selling price?"

"He neither can nor would if he could. The selling is done by competition, just the same as the buying. Remember that each packer has a number of very strong and able rivals."

"It is charged that there is a secret agreement between the packers as to the selling of meat."

"Swift & Company is not in any combination, nor do we have any understanding with any packer or packers as to the amount of livestock they or we shall buy or the price either of us will pay for it. Nor do we have any agreement, secret or otherwise, as to the price at which meat and by-products shall be sold.

"There are five packers—the very big ones—Swift, Armour, Morris, Wilson and Cudahy, between whom competition in both buying and selling exists keenly and continuously.

"One has only to visit the section of a city in which the branches of the packers are established and watch the retailers go about from one to another, shopping and bargaining. And this reminds me of the old theory people have that the selling price of beef is determined solely by the cost of livestock. It is clear that this is wrong, because, as I told you at the beginning of this talk, beef *must be sold while it is fresh*. No matter what we paid for the steer, be it high or low, we must sell the product right away for what we can get for it. You can't hold it as an operator would coal and dole it out on a rising or level market. The packer's branch houses in all the principal centers of population must keep their beef constantly on the move. 'Clean up every week' is the rule; make room for other cars on the way.

"There is a very small annual percentage of beef which can be frozen and kept that way for a time—not over five to ten per cent. Meat that is frozen is put in when grass cattle are arriving, in the season of most plenteous supply; but freezer capacity is limited and interest on investment in beef, charges for refrigeration, and other expenses make it unprofitable to carry any of this beef longer than eight or nine months. The cases one hears about of frozen meat being in storage over a period of years are isolated and commercially unprofitable.

"Branch-house managers are not advised of the actual cost to them of any carcass, but are supposed to get from the trade the market price that will keep the beef moving into consumption. The branch-house manager does not know whether he is making or losing money for the company.

"That they are successful in getting a price most of the time that yields a profit is clear from the fact that the packer is able to stay in business. But there are many times when the beef on hand must be pushed along to make room for fresh carloads just arriving, and it is sold for what it will bring.

"And, believe me, the buyers are keenly alive to this fact. If the farmer or the consumer wants to see for himself how the wholesale price of beef is reached, let him visit one of the many branches which are located in four or five hundred cities in this country and see

how the retail butchers drive the best bargains they can with the salesmen.

"The value of beef, you understand, is based on the intrinsic merit of each piece, and the individual judgment of the buyer and seller as to what it is worth. One sees 'loins' (the source of steak) quoted at wholesale anywhere from forty-five cents to sixteen and one-half cents per pound, a spread of twenty-nine cents per pound. It is all 'loins'; the uninitiated doesn't know that the first price relates to Number 1 grade and the second price named relates to Number 3 grade.

"Take again the difference between the prices of cuts from the same steer. The thickness of a knife blade between the chuck and the rib will mark a difference in price of fifteen cents per pound.

"But chuck at twenty cents and ribs at thirty-five cents are all the 'price of beef.' There is too little intelligent consideration given to the definition of the word 'beef.'

"The meat we talk about having eaten as boys was probably pretty stringy and tough. The farmer had not bred up his herds to the high standards which exist today, nor did he know how to treat an animal after killing. No matter how good a piece of meat is, it is not so nutritious or so palatable if eaten within a day or two after it is killed. It should age for at least a week or two to permit the juices to soften the fibers. One hears persons going into ecstasies over the wonderful steaks they get in the hotels and clubs, and wondering why they cannot buy that kind of meat from their butchers. The fact is, the hotels and clubs, on account of the prices they get, are enabled to buy the very choicest of the ribs and loins. And they always age their meat from three to four weeks before serving it."

Hungry People an Angry People

"Remember, only twenty-five per cent of a beef carcass is ribs and loins. The lower price which the chucks and rounds bring is spread over the cost of the ribs and loins, in order to average the price received for the entire carcass."

"Supposing old methods obtained today, what would be the cost to the consumer for meat and by-products?"

"There would be mighty little meat to eat in the big population centers," said Mr. Swift, "because it could not be transported without refrigeration. We would be in the same position of inefficiency and physical unfitness as some other countries. Russia, for instance, has the same producing facilities Uncle Sam has, but no business organization for handling. Lack of meat and other proper foods makes for Bolshevik tendencies. A hungry people is an angry people—an anarchistic people. So much has the packer done for civilization, at any rate."

"The same buying and selling rules apply to sheep and hogs?" I suggested.

"Practically," said Mr. Swift. "But what the packer has done for poultry and eggs is interesting.

"Poultry used to be shipped alive to central markets; there was always a heavy toll in dead when they reached the consuming centers, Chicago, New York, and so on. There was also a big traffic in poultry that was killed on the farm and in small towns and shipped in barrels of ice. It arrived wet, unappetizing in appearance and much of it spoiled, because the ice melted faster than the train ran.

"When the big packer went in for chickens he caused to be built modern feeding and dressing stations in the best producing centers of the Middle West. When the chickens are bought those of the better grade are put on feed in immense batteries of individual coops and supplied abundantly with milk and cereals. The inactivity of the bird at this particular time and the effect of the feed practically change the texture and color of the flesh. The chickens are scientifically bled and most of them dry-picked and immediately placed in the same kind of refrigeration as is given beef and other meat.

"Then they are shipped under dry refrigeration to the packer's branch houses. The birds are delivered to the retailer in a vastly better condition than those obtaining under old methods."

Producer and Consumer Benefit

"Thus the producer realizes more for his poultry; the consumer gets more and a better quality for his money, all through the instrumentality of the packer. It is like the old puzzle of putting more into a hole than one gets out of it, the anomaly of the producer and the consumer both getting more than they got before, and the instrument that brought this about making a legitimate profit in the bargain. But it is the old story: the elimination of waste.

"Because the chicken is of itself so small a thing, the proper handling of it was neglected for years; but the packer found that he could utilize much of his meat refrigeration and distribution facilities for the proper scientific handling of it, and he did so, to the advantage of all concerned.

"A continual effort is being made by the packer to persuade the farmer and his wife to realize the enormous loss due to neglect and careless handling of eggs. The effect of this effort has been evident in a great improvement in the industry during the last five years. This improvement is due in a very large measure to the efforts of Dr. M. E. Pennington, of the United States Food Research Laboratory, of Philadelphia. Doctor Pennington is the greatest authority on poultry, eggs and cold storage in this country—and the 'M' stands for 'Mary'!

"The big possibility of the poultry proposition is that as many chickens should be carried on every farm as the farm can support

without having to buy corn for their production.

"To be profitable they should pick up their own living. During the era of high corn prices we are going through, the fellow who is in the chicken business—not the farmer—and has to buy feed for his birds is badly handicapped as against the man whose poultry picks up its own living in his fields.

"There is no question that the handling of eggs by the packer has greatly reduced loss due to spoilage and breakage. We can ship a car of eggs from Marshalltown, Iowa, to New York in a refrigerator car and have a much higher percentage arrive in absolutely perfect condition than in the old days when shipped to Chicago in twenty-five-case lots, instead of in carlots, and reshipped to New York.

"We have clearly defined seasons for putting products into the cold storage freezer and also clearly defined seasons for taking them out to be sold. Nothing may remain in cold storage over twelve months—that's an absolute rule with us. You see, if we carried eggs in the cooler more than six months we would run them into the following season of production. Rather than do this we clear them out for anything they will bring.

"We confine ourselves to the products which are practically related to refrigeration and the utilization of our distribution organization—things that are naturally sold by the man who sells meat.

"And the basis of all is beef and pork. Everything that we do, by-products, butter and eggs, all contribute to strengthen our position as the connecting link between the farmer and the public—to get a good price for one and a small price for the other. That's what the packer has to do with the cost of living."

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